

Virginia Department of Medical Assistance Services Integrated Care Initiatives Update

Fall 2009



Introduction

The Virginia Department of Medical Assistance Services (DMAS) operates Virginia's Medicaid program. The Medicaid program provides medical and long-term care coverage for qualifying individuals.

Medicaid's Seniors and Individuals with Disabilities

Approximately 30% of Medicaid participants are either over age 65 or have a disability. While these populations represent a relatively small number of participants, they incur close to 70% of Medicaid expenditures.

Long-Term Care (LTC): Many Medicaid participants receive long-term care services. Long-term care services can be obtained through a nursing facility, through one of DMAS' seven home and community-based waiver programs, or through one of DMAS' new Integrated Care initiatives. Long-term care services encompass a full range of medical and supportive services, such as services to assist a person with activities of daily living. Bathing, dressing, transferring (moving from bed to chair, etc.), and medication management are examples of LTC services that are offered through Medicaid to help individuals maintain functioning and quality of life for as long as possible.

Dual Eligibles: Medicaid-enrolled seniors and individuals with disabilities are often enrolled in the Medicare program. Medicare is administered by the federal government and individuals enrolled in both Medicare and Medicaid are known as "dual eligibles."

Elderly or Disabled with Consumer Direction (EDCD) Waiver: The EDCD program is one of DMAS' seven home and community-based waiver programs. EDCD provides long-term care services to individuals in their homes so that they can remain independent for as long as possible and

not have to move to a nursing facility. Examples of EDCD waiver services that are available include personal care, respite care, and adult day health care. Approximately 15,000 individuals are enrolled in the EDCD waiver.

How Do Medicaid Participants Access Services?

The Virginia Medicaid program primarily offers services through two models. How an individual receives services depends on where he or she lives and for which group of services he or she qualifies.

Virginia Medicaid offers services through:

1. Fee-for-service: DMAS acts like the insurance company and pays providers directly; and
2. Managed Care (Medallion II): DMAS contracts with managed care organizations (MCO) to provide services to Medicaid participants. DMAS pays the MCO a set rate each month and the MCO reimburses the providers. Participants see providers who are in the MCO's network.

Currently, managed care is not available in all areas of the state, and it does not cover long-term care services. Managed care is also not available for individuals enrolled in both Medicare and Medicaid.

Integrated Care at DMAS

Governor Timothy Kaine, with support from the 2006 General Assembly, set in motion a major reform of the Virginia Medicaid funded long-term care programs. Under this directive, DMAS is developing integrated care initiatives to make care for seniors and individuals with disabilities easier to access, navigate, and obtain. Integrated care enables participants who would otherwise need to reside in a nursing facility the opportunity to remain at home and participate in their communities.

Why Integrated Care?

Anyone who has experienced the need for long-term care for themselves or a loved one knows that finding and coordinating these services is very difficult. Individuals often receive care from numerous providers and no single entity is responsible for overseeing their care. This leads to cost shifting among providers, inappropriate service delivery, and a very complex system for individuals to navigate. Integrated care can help alleviate these issues. It also lends itself to a more predictable budget, which is very helpful to the Commonwealth, especially during strained economic times.

The number of individuals enrolled in Medicaid who need long-term care services has increased dramatically over the past decade, and this trend is expected to continue in the upcoming years. Preparing now for this growth will benefit Virginia.

Current Integrated Care Initiatives

DMAS is currently developing and expanding the following two Integrated Care initiatives:

I. Program for the All-Inclusive Care for the Elderly (PACE): PACE strives to keep seniors in their homes and communities. It provides the entire continuum of medical and supportive services in the home, the community, and the PACE center. As of September 2009, there were 433 individuals enrolled in 6 PACE centers located in Big Stone Gap, Lynchburg, Newport News, Richmond, Tazewell, and Virginia Beach.

II. Acute and Long-Term Care Integration - Phase I (ALTC Phase I): In September 2007, DMAS implemented its second effort toward streamlining service delivery and improving the coordination of care for individuals through ALTC Phase I.

ALTC Phase I enables individuals who are participating in managed care to remain with their MCO if they subsequently become eligible for a home and community-based waiver program. Individuals receive primary and acute care through their MCO and receive their LTC waiver services through the DMAS fee-for-service program. This allows individuals to remain with their current providers, while receiving more oversight and

assistance through their MCOs. Individuals in the Technology Assisted waiver, however, are not eligible for this program.

Since September 2007, over 1,500 individuals have participated in ALTC Phase I.



Future Integrated Care Initiatives

DMAS is currently reviewing and determining the feasibility of the following two initiatives:

I. Virginia Acute and Long-Term Care Integration (VALTC): In July 2009, DMAS planned to launch VALTC; however, due to budget constraints and other limitations, the Department did not move forward with this initiative.

Through VALTC, dual eligibles and individuals enrolled in the EDCD waiver who were at least 21 years old and resided in the Tidewater area would have received their health AND long-term care services through a single coordinated delivery system. Eligible individuals would have enrolled in a new managed care program that offered ongoing access to quality health and long-term care services, coordinated benefits between Medicare and Medicaid, care coordination, and referrals to appropriate community resources. DMAS continues to explore improvements and alternatives to this model to ultimately achieve an integrated delivery system.

II. Care Coordination: The Department recently issued a Request for Information to seek input into the design of a care coordination program for adults enrolled in the EDCD waiver. Seventeen organizations submitted responses. DMAS staff are using these responses to determine the feasibility of this initiative.

If implemented, the care coordination program would improve the quality of care for enrollees and make services for eligible seniors and individuals with disabilities easier to access, navigate, and obtain. This program would seek to remove inefficiencies between the coordination of medical and long-term care services for individuals enrolled in the EDCD waiver. The Department views this initiative as a next step toward developing an integrated delivery system.